

CANNABIS



CASH FLOW

With feds chasing banks away, state treasurer wants to help industry do business

By Brooke Staggs
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California should contract with armored car services to transport cannabis-generated tax money and study the idea of creating a public bank to serve the marijuana industry, according to State Treasurer John Chiang.

The recommendations came during a Tuesday news conference in Sacramento, where Chiang and members of his Cannabis Banking Working Group presented a 32-page report following their nearly yearlong study into how to help marijuana companies access banking services.

Big banks don't handle cannabis-related money because the drug is illegal federally, which figures to be a hurdle for the fast-growing industry. And Chiang indicated the ideas put forth Tuesday might be stopgap solutions until federal



GETTY IMAGES/ISTOCKPHOTO

Use of armored cars would be one suggestion to help the marijuana industry move cash for such purposes as paying its taxes, since the industry has to rely on cash.

lawmakers come up with new rules that reflect the broader push toward cannabis legalization.

"The reality is that a definitive, bullet-proof solution will remain elusive until the federal government removes cannabis from its official list of banned drugs

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FOUR RECOMMENDATIONS

State Treasurer John Chiang's working group suggests California take these steps.



Chiang

Chiang said that will make the process safer and more efficient for both taxpayers and tax collectors, who are now forced to process millions of dollars in payments in cash.

- Contract with private armored car services to transport taxes and fees from marijuana businesses to banks.
- Work with local governments to develop an online portal that shows compliance data for all legal cannabis businesses in the state, then make that portal available to banks. Khurshid Khoja, an attorney who's part of the working group, said that should help banks feel comfortable that they're operating within federal guidelines issued in 2013 that outline how financial institutions can legally serve the marijuana industry.
- Study the idea of creating a state-run public bank or other state-backed financial institution that could serve the cannabis industry. Talk of this option has brought out both supporters and skeptics, and previous efforts to make a public bank for marijuana businesses have either been dismissed as too pricey or shut down by regulators. Though the report points out more "cons" than "pros" with this option, Chiang said all options should be on the table.
- Lead a national lobbying group to pursue changes to federal banking laws. Chiang said a number of other states and California organizations have agreed to participate in the consortium to try and effect change in Washington, D.C.

TEXAS

Church gunman once escaped from mental health facility

By Nomaan Merchant, Jim Vertuno and Will Weissert
The Associated Press

SUTHERLAND SPRINGS, TEXAS » The gunman who carried out the massacre at a small-town Texas church briefly escaped from a mental health center in New Mexico in 2012 and got in trouble for bringing guns onto a military base and threatening his superiors there, police reports indicate.

Devin Patrick Kelley was also named as a suspect in a 2013 sexual assault in his Texas hometown of New Braunfels, about 35 miles from the scene of the church attack.

The records that emerged



JAY JANNER — AUSTIN AMERICAN-STATESMAN VIA AP

Meredith Cooper and her daughter, Heather, visit a memorial of 26 metal crosses near First Baptist Church.

Tuesday add up to at least three missed opportunities that might have offered law enforcement a way to stop Kelley from having access to

guns long before he slaughtered much of the congregation in the middle of a Sunday service. Authorities said

GUNMAN » PAGE 7

COLONIES CASE

Can malicious prosecution claim succeed in court?

By Joe Nelson
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A \$25 million claim by former Colonies case defendant Jim Erwin that accuses San Bernardino County and the state of malicious prosecution raises questions of the viability of such a legal challenge.

In his Nov. 1 claim, Erwin alleges that prosecutors manipulated a grand jury in the ill-fated bribery case with false testimony by Adam Aleman, a former assistant assessor; San Bernardino County Supervisor Josie Gonzales; and district attorney's investigator Hollis "Bud" Randles.

Prosecutors dismissed all charges against Erwin in September after his jury announced it was "hopelessly deadlocked."

In August, a separate jury acquitted

COLONIES » PAGE 6

KOREAN PENINSULA



KIM HONG-JI — THE ASSOCIATED PRESS

President Donald Trump and South Korean President Moon Jae-in attend a welcoming ceremony in Seoul on Tuesday.

IN SHIFT, TRUMP SHELVES BLUSTER

In less bombastic tone, he invites the North to the negotiating table

By Jonathan Lemire and Jill Colvin
The Associated Press

SEOUL, SOUTH KOREA » In a striking shift of tone, President Donald Trump abandoned his aggressive rhetoric toward North Korea on Tuesday, signaling a willingness to negotiate as he urged Pyongyang to "come to the table" and "make a deal."

Trump, in his first day on the Korean peninsula, again pushed Pyongyang to abandon its nuclear weapons program, but sidelined apocalyptic threats for an optimistic note, saying confidently, if vaguely, that "ultimately, it'll all work out." And while he said the United States would use military force if needed, he expressed his strongest inclination yet to deal with rising tensions with Pyongyang through diplomacy.

"It makes sense for North Korea to come to the table and make a deal that is good for the people of North Korea and for the world," Trump said during a news conference alongside South Korean President Moon Jae-in. "I do see certain movement."

Trump said he has seen "a

TRUMP » PAGE 2

INSIDE



LiAngelo Ball plays last year for Chino Hills High. The UCLA freshman was arrested in China.

Report: 3 UCLA players arrested in China

The freshmen, including LiAngelo Ball, the younger brother of Laker Lonzo Ball, were reportedly suspected of shoplifting. **NEWS 7**

Dodgers face winter challenge

With a roster that reached the World Series, team executives will look for small ways to upgrade. **SPORTS 1**

Their art will float on

Riverside students are hard at work painting more than 350 plastic spheres that will sit on a lake this spring as a massive public art project. **LOCAL 1**

WEATHER



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Riverside

Temecula: Desert: Mountains:
77/52 84/61 63/43

Full weather forecast » PAGE A10

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